|  |
| --- |
| THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF THE  **PROJECT RESOURCE CENTER**.   IT IS FOR GENERAL GUIDANCE PURPOSES ONLY AND SHOULD NOT BE USED AS A SUBSTITUTE  FOR SPECIFIC TECHNICAL, PROCUREMENT OR LEGAL ADVICE FOR A PROJECT |

# Terms of Reference

# Study on Energy Efficiency Action Plan

## Background

*<Electricity supply in the country, challenges in the electricity sector, future trends, measures implemented by the [ministry in charge of electricity], energy efficiency measures recommended for the country, rationale for [donor]’s involvement.>*

## Assignment Objective and Outcome

The main objective of the proposed activity is to develop a prioritized energy efficiency action plan for the [country] electricity sector, and hence contribute to improve the sector efficiency. This is to create suitable institutional arrangements within the [ministry in charge of electricity] to support prioritized energy efficiency measures.

A secondary objective would be to help the [government of the country] develop an awareness campaign for energy efficiency that could be implemented when energy efficiency programs are launched.

The envisaged work is comprised of two branches of activities:

1. assess EE opportunities (supply and demand sides), plan a first set of activities and determine the institutional strengthening and legal and regulatory arrangements required;
2. develop a demand side energy efficiency action plan and design an awareness campaign that could help launch the initial energy efficiency activities.

Main outcomes of the proposed activity will be to:

1. raise the profile of energy efficiency within the [ministry in charge of electricity] and the [country] (EE awareness campaign);
2. assess potential energy efficiency initiatives and prioritize and cost these according to economic benefits;
3. assess institutions, regulatory frameworks, codes, standards, law and determine potential bottlenecks that could affect implementation and investments;
4. identify new incentives, financial tools and funding mechanisms and perform the cost-benefit analysis of the planned EE pilot investments.

The main output of this activity will be to propose new initiatives/investments and supporting reform/policy adaptation under a prioritized energy efficiency action plan aimed at a short to medium term increase in the benefits that can be derived from energy efficiency measures, and that can be pursued by the [ministry in charge of electricity] to reduce demand growth. The envisaged action plan will be prepared along with recommendations on required institutional development and capacity strengthening within the [ministry in charge of electricity] for implementation.

Abbreviated scopes of work for assignments are provided below.

## Scope of Work

The proposed activity will be based on an initial assessment of the potential for EE within the [country] electricity sector and will include identification of issues/barriers affecting this performance, and recommend new incentives, mechanisms and management structures in the form of an action plan.

The key tasks of the proposed activity include:

Task 1:

1. Review electricity consumption characteristics across consumer classes and electricity demand growth scenarios and against this background quantitatively assess the forecast effectiveness of potential pilot EE projects in terms of cost savings to the [country] government through demand management.
2. Understand key electricity end–use technical characteristics such as lighting, pumping, etc.

Task 2:

1. Identify end-use energy efficiency opportunities (focusing on specific EE technologies such as solar water heating, CFLs, street lighting, labeling, building standards, energy audit for high energy intensity industries, etc.) that are or would be of benefit and suitable for to Iraq and end-user consumers.
2. Prioritize selected opportunities based on the fact that these should include an assessment of technology availability, cost, potential for scale-up and financing mechanisms and be also geared to implementation in [country]’s particular environment.
3. Benefits to [country] should be quantified in terms of per annum savings of the government subsidies to the electricity sector.

Task 3:

1. Define necessary institutional and regulatory framework, including energy efficiency & conservation law for implementation.
2. Identify the role of various players in energy efficiency efforts if any and define an EE framework that will bring together the requisite technical and implementation capacity and financing required to deliver wide scale implementation of beneficial EE measures.

Task 4:

1. Prepare a practical demand side energy efficiency action plan in the form of a Roadmap for the next three-five years in discussion with stakeholders; and agree on the priority areas through review of draft National Energy Efficiency Action Plan (NEEAP).
2. Define preparatory work for the launch of programs including scope of work for next set of activities and preliminary estimates and methods of financing. This action plan could consider establishment of the frameworks of policy, legal, regulatory, institutional and organizational structure to promote the adoption of energy efficiency measures in the sector, including establishment of an energy management and conservation entity. However, its significant focus should be on proposing practical and prioritized actions that will result in wider application of energy efficiency measures where the benefits of these can be quantified and measurable, and that are achievable within the current [country] political environment.
3. Prepare Terms of Reference for core staff that would be required to operate EE programs under the framework, and provide detailed implementation plans and costs for each priority EE action and program with a realistic timeline and articulated roles.

Task 5:

1. Define main components of an awareness campaign as a part of the envisaged action plan. This campaign should include a preliminary design for an awareness program to be implemented over a multi-year period (3-5 years) and outline the required financial, institutional, human resources, and further training needs.
2. Identify the target groups and draft awareness raising materials (TV and radio features, posters, leaflets, brochures, newsletters, billboard designs, web pages, road shows/demonstration activities etc.) for each of the sectors of intervention and target groups.

Task 6:

Identify potential issues and barriers that may affect implementation of the above-mentioned priority EE programs and recommend solutions to resolve these issues.

The outputs for the proposed activity will include:

a) A report defining the necessary EE institutional and regulatory framework, EE potential, and benefits to be achieved by energy efficiency measures, in terms of reduced electrical demand and cost savings to the [government of the country];

b) An action plan in the form of a Roadmap defining practical achievable steps to promote wider implementation of beneficial energy efficiency measures with

1. the cost of implementation of each activity defined,
2. realistic timeline, and institutional roles in the short to medium term, including awareness campaign; and

c) A Seminar/Workshop to explain benefits of energy efficiency for key [country] decision makers, thereby raise the profile of EE benefits.

The ministry in charge of electricity of the [country] is the primary audience for the proposed work. However, this activity will also involve consultation and coordination with the prime minister’s advisory commission, the office of the deputy prime minister for energy affairs, [ministries in charge of oil, finance, industry, and planning], the parliamentary energy committee of the [country], industry, including private sector, civil society, other electricity sector stakeholders and donors. The output of this technical assistance will support the [ministry in charge of electricity, department of planning], the [ministry in charge of electricity, minister for distribution], and the directorates general for generation and distribution. The proposed activity will help the [ministry in charge of electricity] launch a cohesive and structured energy efficiency program and manage peak electricity demand better. The outputs will also help the [government of the country] develop a sustainable fuel-for-power strategy.